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JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 9, Number 11 November 1985

HIGHLIGHTS

Employment Stable

Employment in Washington State was nearly unchanged between September and October with the total down 300 over the 30-day period. Nonagricultural wage and salary payrolls rose 3,700 in October, but the gain was offset by seasonal cutbacks in farm employment where the apple harvest was winding down.

Most nonagricultural industries also experienced seasonal job losses over the month because of the end of the summer tourist season, the completion of county and regional fairs for the year and the effect of deteriorating weather conditions on construction and other outdoor activities. Agricultural-related employment in food products and wholesaling also declined with harvests largely completed for 1985. More than offsetting these losses was a sharp

	Oct. 1985* (Prel.)	Sept. 1985* (Rev.)	Oct. 1984
Civilian Labor Force	2,121,900	2,116,100	2,078,400
Total Employment	1,961,900	1,962,200	1,899,000
Total Unemployment	160,000	153,900	179,400
State Unemployment Rate	7.5	7.3	8.6
National Civilian Unemployment Rate	6.8	6.9	7.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

seasonal gain in public education. The gains in education payrolls occurred at colleges which begin their school year after mid-September. Many other schools continued hiring in October to round out their staffing for the new school year. The settlement of the strike involving Seattle public school teachers also contributed to the increase.

Nonfarm Jobs Up 51,000 over the Year

The state continues to maintain a substantial year-to-year gain in nonagricultural jobs. At mid-October, total nonfarm employment was up 51,000 over the year. Moreover, the relative increase was greater than has occurred nationally; the state nonfarm wage and salary total was up 3.1 percent over the year, while the national wage and salary level rose 2.3 percent over the same period.

Aerospace Credited With Stronger Job Growth in State

The major factor in the stronger growth in the state has been the expansion in the aerospace industry. While manufacturing employment has declined nationally because of foreign competition, losses in manufacturing jobs in Washington State resulting from foreign competition and other factors have been more than offset by growth in aerospace jobs. As a result, manufacturing employment in October was up 5,700, or 2.0 percent, over the year in Washington State in contrast to a drop of 1.0 percent nationally.

An over-the-year increase of 8,700 aerospace jobs in Washington State combined with gains of 900 each in fabricated metals, and chemicals plus lesser expansions in other industries to more than offset losses of 2,200 in lumber-wood products, 1,000 in primary metals, 900 in machinery, and 1,800 in "other transportation equipment"--mainly shipbuilding.

Major Job Gains In Construction, Retail Trade and Services

Aside from aerospace, the major over-the-year industrial expansions occurred in the nonmanufacturing industries. The largest gains were noted in construction, up 5,800; retail trade, up 12,700; and services, up 16,200. Growth in the construction industry was broadly based according to our monthly sample of contractors, with more activity in building construction; office buildings, homes, apartments, factories, etc.; nonbuilding construction; streets, highways, etc.; and in special trade construction; electrical, painting, plumbing, etc.

In retail trade, eating and drinking places continues to account for nearly one-half of the year-to-year expansion. Other sizable gains, however, were credited to food stores and automobile dealers. The services industries continue to expand briskly with over one-third of the gain in business services. Firms which provide temporary help to other businesses accounted for a good share of the rise here. Medical services has also continued to

expand, especially at nursing homes and at the offices of health practitioners. Hospital employment, however, has declined over the year. Major factors behind the drop are competition from health clinics and the high cost of hospital services which is resulting in patients staying for shorter durations.

Unemployment Up Seasonally

Total unemployment in Washington State rose from 153,900 and 7.3 percent of the labor force in September to 160,000 and 7.5 percent in October. The increase was about normal for this time of the year. In fact, the seasonally adjusted rate slipped from 8.2 percent to 8.1 percent over the month, returning to its August level.

An increase in unemployment (before seasonal adjustment) is normal at this time of the year even though total employment may show little change. While growth in education payrolls balanced seasonal job losses in agriculture, construction and other industries, the people filling the new jobs are not the ones laid off elsewhere. Most of those hired in education are re-entrants to the labor force; people who were laid off by schools for the summer when the regular school year ended. The majority of these individuals (cafeteria workers, bus drivers, teaching aids, etc.) did not seek alternative employment for the summer and, thus, were not counted as unemployed. Hirings and layoffs of these individuals have little impact on unemployment.

Unemployment Down From Year Ago

Substantial employment growth over the year in Washington State was sufficient to provide jobs for an expanding labor force and reduce unemployment by 19,400. The jobless rate dropped from 8.6 to 7.5 percent over the year. Although the state rate remained above the national rate of 6.8 percent in October, the national rate dropped only two-tenths of a point over the year, while the rate in the state fell 1.1 points because of the relative strength of its economy. (Data are not seasonally adjusted.)

Local Area Developments

Changes in unemployment around the state varied by direction and amount between September and October. Most changes were fairly modest. The largest increases occurred in eastern Washington areas where agriculture and related food processing and wholesaling activity was declining. Typical of these areas were the Yakima, Columbia, and Walla Walla county areas. In Yakima County the jobless rate rose from 9.9 to 11.9 percent between September and October, while the rate in Walla Walla County rose from 5.6 to 6.5 percent. In Columbia County, which is more highly dependent on agriculture and the related food processing industry than either Yakima or Walla Walla, the rate shot up from 9.3 to 14.4 percent.

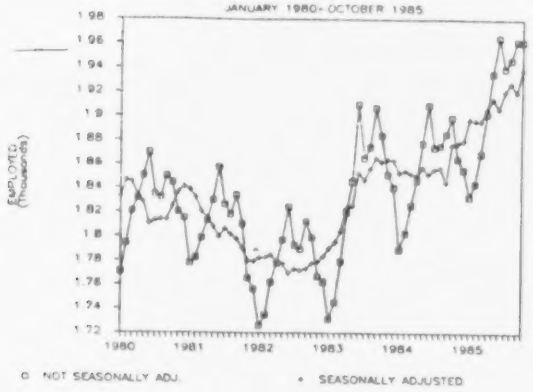
Seattle's Jobless Rate Remains Low

Unemployment in the state's major metropolitan areas rose more modestly. In the Seattle-Metropolitan Area the rate edged up from 6.3 to 6.4 percent. The increase here was cushioned by the settlement of the labor dispute in Seattle public schools and the beginning of a new school year at the University of Washington. Despite the increase, the unemployment rate in the Seattle area in October of 6.4 percent remained below the corresponding state (7.5 percent) and national rates (6.8 percent).

In the Tacoma Metropolitan Area the unemployment rate rose from 8.0 to 8.3 percent over the month. The end of the temporary jobs at the Western Washington Fair was a factor pushing unemployment higher as was continuing problems in the area's shipbuilding industry. In the Spokane area the rate moved up from 7.0 to 7.4 percent. Agriculture has more of an effect on Spokane than on Seattle or Tacoma because it is the trade, service and financial center for eastern Washington and nearby farm areas in Idaho and Oregon.

STATE TOTAL EMPLOYMENT

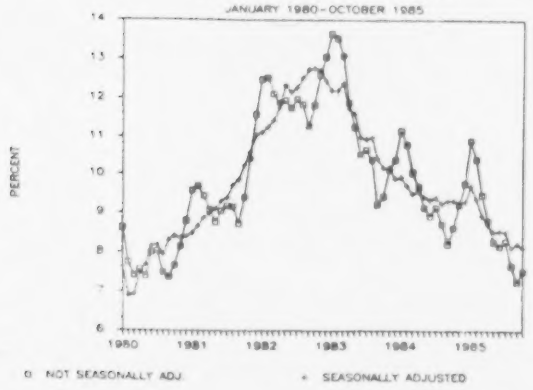
JANUARY 1980 - OCTOBER 1985



o NOT SEASONALLY ADJ. + SEASONALLY ADJUSTED

STATE UNEMPLOYMENT RATE

JANUARY 1980 - OCTOBER 1985



o NOT SEASONALLY ADJ. + SEASONALLY ADJUSTED

MANUFACTURING INDUSTRIES

Manufacturing employment slipped 1,100 between September and October largely because of seasonal factors.

Manufacturing Down Seasonally

Seasonal losses were noted in food processing, lumber-wood products, and paper-allied products. Food processing fell 900 with the peak of the canning-preserving season past. Employment in the lumber industry fell 400, but normally a loss of over 1,000 occurs in the industry in October. The less than seasonal loss this year likely resulted from the industry's already depressed level rather than any improvement. A drop of 300 in the pulp-paper industry was normal for this time of the year and was due the termination of vacation-replacement workers. Adding to the seasonal losses was a drop of 300 in machinery; about two-thirds of the cutback resulted from a layoff at an electronics plant in Vancouver.

Aerospace Continues to Climb

Aerospace employment advanced 800 in October to cushion the losses. Employment in the industry is now up 8,700 over the year and 16,400 above its October 1983 level. New orders for commercial aircraft continue to brighten the outlook in the state's largest manufacturing industry. In November, The Boeing Company received a $3 billion order from United Airlines for 116 aircraft. The order followed a $2 billion order in October from Northwest Airlines and orders totaling $850 million from Texas Air Corp. and Republic Airlines. By early November, Boeing had received firm orders for 341 commercial aircraft in 1985, the second largest number of planes ordered in a one year period in the company's history.

Planning for the 21st Century

Looking to the future, The Boeing Company is designing an airframe for an airplane-rocket to take people into space in the next century. Details on the project are not available because of its defense applications, but a Boeing spokesman said that they expected the market for space planes in the 21st century to be huge. Besides space travel, the planes could cut the time to travel to Pacific Rim countries from 12-18 hours to 2-3 hours.

Lumber Industry Outlook Uncertain

Unlike aerospace, developments in the lumber industry were mixed in October and the the outlook remains uncertain. The Weyerhaeuser Company announced that it would shut down its three wood product mills in Longview beginning December 2nd for an indefinite period. The closures will affect 385 workers. A Weyerhaeuser spokesman said the mills have lost $24 million in the last five years. The firm will investigate ways of making the mills profitable again, including product and raw material mix, work practices, overhead, labor costs, and capital improvements.

Economic indicators relating to new housing starts were mixed in October, clouding the outlook for the lumber industry. Over one-half of all lumber products go into new home construction. National housing starts, including

multi-units, rose 10.8 percent in October to a seasonally adjusted annual rate of 1.76 million units. By contrast, sales of new homes dropped to their slowest pace in six months, a seasonally adjusted annual rate of 652,000 units. A 6½ months supply of new homes remains on the market nationally.

Problems Mount At Tacoma Boat

Shipbuilding employment remained fairly stable in October, although fluctuations continued at individual yards. Problems continued at Tacoma Boatbuilding, which recently filed for reorganization under bankruptcy laws. Four years ago the firm was the largest private manufacturing employer in Pierce County with a workforce of 2,900. Their employment was reportedly down to 603 in November. Its subsidiary, At-Sea Incineration Company, shut down in November when it failed to make a $4 million payment due on two incinerator ships it is building. The firm's attempt to seek additional funds to complete its incinerator ships and operate until it receives permits to begin burning hazardous wastes on those ships was blocked by creditors. Tacoma Boat has until late January to propose a reorganization plan.

NONMANUFACTURING INDUSTRIES

The major change in the nonmanufacturing industries over the month was a seasonal gain of 20,100 in public education.

School Payrolls Up

Approximately 3,700 of the increase resulted from the settlement of the labor dispute at Seattle public schools. Despite the sizable expansion in October, however, public education payrolls were slightly lower than in October 1984.

The increase in government civilian employment was pared to 16,600 for the month, however, as seasonal reductions in parks, forests, groundskeeping and other summer-time activities partially offset the growth in education employment. Government employment was up 3,500 or one percent over the year.

Tourist Season Winds Down

The end of the summer tourist season and the completion of county and regional fairs reduced services employment 3,900 in October. Major losses were in lodging places (campgrounds, trailer parks, and sporting and recreational camps) and in amusements and recreation (fairs, carnivals, golf courses, and boat houses). The losses were partially offset by a seasonal increase at private colleges and other private schools.

The decline in tourist business and county and regional fairs also reduced retail trade employment (down 2,500) in October. Nearly all of the loss was at restaurants and other eating and drinking places.

Expo 86 to Boost Tourist Business

Looking ahead, Expo 86, which opens next spring is expected to boost tourist trade in Washington State. A substantial percentage of those visiting the fair in Vancouver, B.C. will pass through Washington State. Washington State will have a pavilion at the fair and will encourage visitors to spend some time here too. The fair will last six months and could bring in an extra $30 million in state revenue. Extra gas taxes paid by persons traveling to Vancouver, B.C. through Washington State is expected to bring in $1.5 million alone.

Apple Packing Slows

With the peak of the apple harvest over and the completion of most other harvests, packing houses cut seasonal employment sharply, and employment in wholesale trade fell 1,400. Further reductions will occur in November, but no more than seasonally expected.

Construction Begins Seasonal Slowdown

Construction payrolls dropped 2,500 between September and October to match their seasonal decline over the comparable period last year. With seasonal factors now negative because of weather conditions, we can expect further losses through January or February, depending on weather conditions. Employment should remain above year-earlier levels, however.

According to data collected by F. W. Dodge on the value of contracts for construction projects, the value of all construction contracts was up 17 percent in Washington State for the first 10 months of 1985 from the comparable period in 1984. The value for residential buildings, however, was nearly unchanged year-to-year. By contrast, the cumulative value of commercial building contracts was up 45 percent, while the value for non-building construction (streets, highways, etc.) was up 22 percent.

Construction of Single Family Homes Down From 1984

While construction of apartment buildings has increased over the year, the number of permits issued for single family homes declined 7 percent. A number of reasons likely account for this development. With interest rates declining and little appreciation in the value of existing housing, there is little incentive to buy now rather than later as was the case in the late 1970s. In addition, employment cutbacks in many basic industries may have made many potential home buyers reluctant to make long-term financial commitments.

NATIONAL CONTEXT

Slow Growth Expected

Economic indicators released for October were lackluster, suggesting slow economic growth in coming months. There was no indication of an impending recession, however.

The Index of Leading Economic Indicators rose 0.3 percent in October. This was the sixth consecutive monthly increase, but the weakest since a 0.1 advance in June. The rise in the series in October was led by growth in

credit, reflecting increasing real estate, commercial and industrial loans. Orders for manufactured goods picked up as did stock market prices and sensitive materials prices. The number of firms reporting slower deliveries was higher, while weekly claims for unemployment insurance dropped. Leading indicators on the negative side were new business formations, contracts and orders for new plants and equipment, building permits, and the money supply--cash, checking and savings accounts.

GNP Up

The Gross National Product (GNP), the value of the economy's output of goods and services, for the third quarter was estimated at 4.3 percent (revised) by the U.S. Department of Commerce. This followed sluggish growth of 1.9 percent in the second quarter of 0.3 percent in the first quarter. Despite the upward trend, many analysts expect a smaller increase in the GNP in the fourth quarter. One reason for the rise in the series was an increase in business inventories. Many analysts believe inventory building by business is likely to be cut back. Analysts also noted that the third quarter rise was boosted by a large increase in consumer spending, driving the personal savings rate to a record low and consumer debt to a record high. As a result, consumers are likely to reduce their spending in the fourth quarter.

Slow to Moderate Growth Forecast

Slow to moderate growth was predicted for the national economy in two forecasts released in November. The Conference Board, a non-profit, business-supported research group, forecast that the national economy would add just enough jobs in 1986 to absorb people entering the labor force. They also predicted that inflation would increase modestly, from an estimated 3.2 percent in 1985 to 4.0 percent in 1986.

University of Michigan economists estimated that the GNP will increase 2.4 percent this year and forecast a gain of 2.9 percent for 1986 and 3.6 percent in 1987. They expect the national civilian unemployment rate to average 7.2 percent in 1985, edge up to 7.3 percent in 1986 and decline to 7.1 percent in 1987.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Oct. 1985	Sept. 1985	Oct. 1984	Oct. 1985	Sept. 1985
U.S. City Average	325.5	324.5	315.3	+3.2	+3.2
Seattle-Everett	N/A	321.8	N/A	N/A	+1.7

AREA WAGE SURVEY REPORTS AVAILABLE FOR THURSTON AND MASON COUNTIES

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed an Occupational Wage Survey for Thurston and Mason counties. The survey report, based upon data from 255 establishments, presents wage ranges and average for clerical, managerial, professional, technical and general occupations. The report, titled "AREA WAGE SURVEY, THURSTON AND MASON COUNTIES, AUGUST, 1985" is available on request from Labor Market and Economic Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 764-6453.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Oct. 1985 (Prel.)	Sep. 1985 (Rev.)	Oct. 1984 (Rev 4/)	Sep. 1984 (Rev 4/)	Numerical Change: Sep. 85 to Oct. 85	Numerical Change: Oct. 84 to Oct. 85
TOTAL NONAG. WAGE AND SALARY.	1,720.0	1,716.3	1,669.0	1,669.0	+3.7	+51.0
TOTAL MANUFACTURING.....	297.0	298.1	291.3	292.3	-1.1	+5.7
Durable Goods.....	204.3	204.5	201.0	201.3	-0.2	+3.3
Lumber & Wood Products....	37.8	38.2	40.0	41.0	-0.4	-2.2
Furniture & Fixtures.....	3.3	3.3	3.4	3.4	0.0	-0.1
Stone Clay & Glass Prod...	6.6	6.6	6.7	6.8	0.0	-0.1
Primary Metal Industries..	12.0	12.0	13.0	13.1	0.0	-1.0
Aluminum Prod.& Proc.....	7.9	7.8	8.4	8.4	+0.1	-0.5
Fabricated Metal Prod.....	11.0	11.1	10.1	9.9	-0.1	+0.9
Machinery.....	27.2	27.5	28.1	28.0	-0.3	-0.9
Machinery exc. Elect.....	15.4	15.5	16.2	16.2	-0.1	-0.8
Electrical & Electronic..	11.8	12.0	11.9	11.8	-0.2	-0.1
Transportation Equipment..	91.7	91.0	84.8	84.0	+0.7	+6.9
Aerospace.....	78.7	77.9	70.0	68.9	+0.8	+8.7
Other Transp. Equip.....	13.0	13.1	14.8	15.1	-0.1	-1.8
Instruments & Rel. Prod...	10.2	10.4	10.2	10.3	-0.2	0.0
Misc. Manufacturing Ind...	4.5	4.4	4.7	4.8	+0.1	-0.2
Nondurable Goods.....	92.7	93.6	90.3	91.0	-0.9	+2.4
Food & Kindred Products...	33.6	34.5	33.4	34.0	-0.9	+0.2
Canned & Preserved Foods.	14.5	15.1	13.5	13.9	-0.6	+1.0
Apparel & Other Text.Prod.	6.6	6.5	6.5	6.5	+0.1	+0.1
Paper & Allied Products...	16.0	16.3	15.7 3/	16.0 3/	-0.3	+0.3
Printing & Publishing.....	17.3	17.2	17.0	16.7	+0.1	0.3
Chemicals & Allied Prod...	11.6	11.5	10.7	10.6	+0.1	+0.9
Other Nondurable Goods 2/.	7.6	7.6	7.0	7.2	0.0	+0.6
MINING & QUARRYING.....	2.8	2.9	2.8	2.7	-0.1	0.0
CONSTRUCTION.....	86.9	89.4	81.1	83.6	-2.5	+5.8
TRANS.& PUBLIC UTILITIES....	93.1	94.3	91.3	92.6	-1.2	+1.8
WHOLESALE & RETAIL TRADE....	424.3	428.2	409.5	412.6	-3.9	+14.8
Wholesale Trade.....	106.7	108.1	104.6	105.4	-1.4	+2.1
Retail Trade.....	317.6	320.1	304.9	307.2	-2.5	+12.7
FIN. INS. & REAL ESTATE.....	97.8	98.0	94.6	95.5	-0.2	+3.2
SERVICES.....	371.6	375.5	355.4	357.5	-3.9	+16.2
GOVERNMENT.....	346.5	329.9	343.0	332.2	+16.6	+3.5
Federal.....	69.2	70.1	69.8	69.9	-0.9	-0.6
State & Local.....	277.3	259.8 3/	273.2	262.3	+17.5	+4.1
Education.....	147.8	127.7 3/	149.1	134.0	+20.1	-1.3
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	0.0	3.7	0.3	0.3	-3.7	-0.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: November 26, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	October 1985 Preliminary 1/				September 1985 Revised 1/				October 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,121,900	1,961,900	160,000	7.5	2,116,100	1,962,200	153,900	7.3	2,078,400	1,899,000	179,400	8.6
Bellingham MSA	53,700	49,500	4,200	7.8	53,100	48,900	4,200	7.9	49,300	44,000	5,300	10.8
Bremerton MSA	65,800	61,900	3,900	5.9	65,900	62,000	3,900	5.9	64,400	60,000	4,400	6.8
Olympia MSA	63,000	57,900	5,100	8.1	62,700	57,900	4,800	7.7	60,200	54,400	5,800	9.6
Seattle PMSA	956,000	894,600	61,400	6.4	947,200	887,700	59,500	6.3	921,300	854,000	67,300	7.3
Spokane MSA	163,300	151,200	12,100	7.4	161,100	149,900	11,200	7.0	160,500	148,100	12,400	7.7
Tacoma PMSA	199,300	182,800	16,500	8.3	196,200	180,500	15,700	8.0	194,000	175,200	18,800	9.7
Tri-Cities MSA 2/	71,800	66,200	5,600	7.8	72,100	66,400	5,700	7.9	71,300	63,600	7,700	10.8
Vancouver PMSA	97,100	88,800	8,300	8.5	97,300	89,400	7,900	8.1	92,600	84,100	8,500	9.2
Yakima MSA	86,800	76,500	10,300	11.9	87,700	79,000	8,700	9.9	94,100	84,100	10,000	10.6
Adams	7,380	6,850	530	7.2	7,690	7,140	550	7.2	6,910	6,320	590	8.5
Asotin	8,790	8,020	770	8.8	8,600	8,000	600	7.0	8,200	7,560	640	7.8
Clallam	19,040	17,100	1,940	10.2	19,050	17,110	1,940	10.2	20,160	17,160	3,000	14.9
Columbia	1,880	1,610	270	14.4	1,830	1,660	170	9.3	1,630	1,440	190	11.7
Cowlitz	32,560	28,780	3,780	11.6	33,050	29,040	4,010	12.1	32,990	29,120	3,670	11.7
Ferry	2,620	2,370	250	9.5	2,660	2,400	260	9.8	2,510	2,190	320	12.7
Garfield	1,190	1,120	70	5.9	1,180	1,110	70	5.9	1,120	1,050	70	6.3
Grant	23,070	21,020	2,050	8.9	23,660	21,550	2,110	8.9	22,350	19,960	2,390	10.7
Grays Harbor	27,950	25,110	2,840	10.2	28,340	25,490	2,850	10.1	29,250	25,250	4,000	13.7
Island	16,600	15,540	1,060	6.4	16,900	15,930	970	5.7	15,290	14,060	1,230	8.0
Jefferson	6,760	6,270	490	7.2	6,850	6,340	510	7.4	6,820	6,200	620	9.1
Kittitas	11,150	10,300	850	7.6	10,760	9,920	840	7.8	11,290	10,240	1,050	9.3
Klickitat	6,510	5,860	650	10.0	6,740	6,010	730	10.8	7,210	6,480	730	10.1
Lewis	23,970	21,290	2,680	11.2	23,940	21,600	2,340	9.8	24,120	20,700	3,420	14.2
Lincoln	4,430	4,190	240	5.4	4,620	4,430	190	4.1	4,240	4,010	230	5.4
Mason	11,970	11,130	840	7.0	11,940	11,110	830	7.0	10,760	9,800	960	8.9
Okanogan	14,080	12,560	1,520	10.8	14,460	12,590	1,870	12.9	20,270	18,140	2,130	10.5
Pacific	6,520	5,710	810	12.4	6,590	5,780	810	12.3	6,830	5,700	1,130	16.5
Pend Oreille	3,860	3,340	520	13.5	3,960	3,430	530	13.4	4,110	3,590	520	12.7
San Juan	3,940	3,710	230	5.8	4,550	4,340	210	4.6	3,940	3,700	240	6.1
Skagit	32,560	29,300	3,260	10.0	33,990	30,770	3,220	9.5	32,330	28,140	4,190	13.0
Skamania	2,690	2,370	320	11.9	2,760	2,400	360	13.0	2,640	2,220	420	15.9
Stevens	11,460	10,130	1,330	11.6	11,650	10,370	1,280	11.0	11,890	10,310	1,580	13.3
Wahkiakum	1,220	1,060	160	13.1	1,210	1,050	160	13.2	1,240	1,090	150	12.1
Walla Walla	25,920	24,230	1,690	6.5	26,110	24,640	1,470	5.6	25,100	23,100	2,000	8.0
Wenatchee Labor Area 3/	38,630	35,620	3,010	7.8	41,690	38,480	3,210	7.7	40,760	37,740	3,020	7.4
Whitman	18,420	17,870	550	3.0	18,400	17,940	460	2.5	16,750	16,230	520	3.1

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

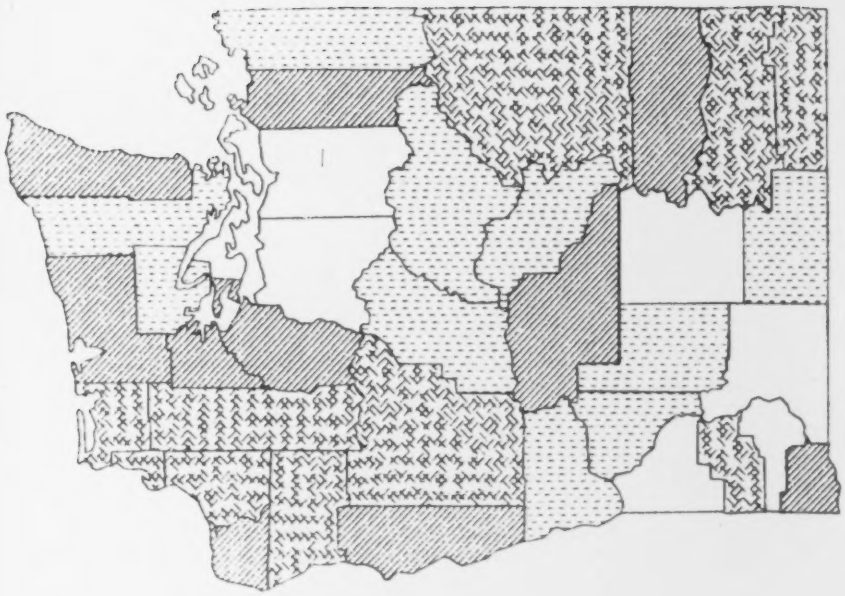
November 26, 1985
Benchmark 1984

(Not Seasonally Adjusted)

	October 1985 Preliminary 1/				September 1985 Revised 1/			
	Labor Force	Employ-ment	Unemploy-ment	Unemp. Rate	Labor Force	Employ-ment	Unemploy-ment	Unemp. Rate
Washington State Total	2,104,900	1,949,000	155,900	7.4	2,098,500	1,949,600	148,900	7.1
Bellingham MSA	53,300	49,200	4,100	7.7	52,600	48,600	4,000	7.6
Bremerton MSA	65,300	61,500	3,800	5.8	65,400	61,600	3,800	5.8
Olympia MSA	62,400	57,500	4,900	7.9	62,100	57,500	4,600	7.4
Seattle PMSA	948,500	888,700	59,800	6.3	939,500	882,000	57,500	6.1
King County	745,300	699,100	46,200	6.2	738,300	693,800	4,4500	6.0
Snohomish County	203,300	189,600	13,700	6.7	201,300	188,200	13,100	6.5
Spokane MSA	162,000	150,200	11,800	7.3	159,900	149,000	10,900	6.8
Tacoma PMSA	197,700	181,600	16,100	8.1	194,600	179,400	15,200	7.8
Tri-Cities MSA 2/	71,300	65,800	5,500	7.7	71,500	66,000	5,500	7.7
Vancouver PMSA	96,300	88,200	8,100	8.4	96,400	88,800	7,600	7.9
Yakima MSA	86,000	76,000	10,000	11.6	86,900	78,500	8,400	9.7
Adams	7,320	6,800	520	7.1	7,630	7,100	530	6.9
Asotin	8,710	7,960	750	8.6	8,530	7,950	580	6.8
Clallam	18,880	16,990	1,890	10.0	18,880	17,000	1,880	10.0
Columbia	1,870	1,600	270	14.4	1,810	1,650	160	8.8
Cowlitz	32,270	28,590	3,680	11.4	32,730	28,850	3,880	11.9
Ferry	2,600	2,350	250	9.6	2,630	2,380	250	9.5
Garfield	1,180	1,110	70	5.9	1,170	1,100	70	6.0
Grant	22,890	20,890	2,000	8.7	23,450	21,410	2,040	8.7
Grays Harbor	27,720	24,950	2,770	10.0	28,090	25,330	2,760	9.8
Island	16,470	15,440	1,030	6.3	16,760	15,820	940	5.6
Jefferson	6,710	6,230	480	7.2	6,780	6,290	490	7.2
Kittitas	11,070	10,240	830	7.5	10,660	9,850	810	7.6
Klickitat	6,460	5,820	640	9.9	6,680	5,970	710	10.6
Lewis	23,770	21,150	2,620	11.0	23,730	21,460	2,270	9.6
Lincoln	4,390	4,160	230	5.2	4,580	4,400	180	3.9
Mason	11,870	11,050	820	6.9	11,850	11,040	810	6.8
Okanogan	13,960	12,480	1,480	10.6	14,320	12,510	1,810	12.6
Pacific	6,450	5,670	780	12.1	6,530	5,750	780	11.9
Pend Oreille	3,830	3,320	510	13.3	3,920	3,410	510	13.0
San Juan	3,920	3,690	230	5.9	4,510	4,310	200	4.4
Skagit	32,290	29,110	3,180	9.8	33,680	30,570	3,110	9.2
Skamania	2,670	2,360	310	11.6	2,740	2,390	350	12.8
Stevens	11,350	10,060	1,290	11.4	11,540	10,300	1,240	10.7
Wahkiakum	1,200	1,050	150	12.5	1,190	1,040	150	12.6
Walla Walla	25,710	24,070	1,640	6.4	25,920	24,490	1,430	5.5
Wenatchee Labor Area 3/	38,320	35,390	2,930	7.6	41,350	38,240	3,110	7.5
Whitman	18,300	17,760	540	3.0	18,270	17,830	440	2.4

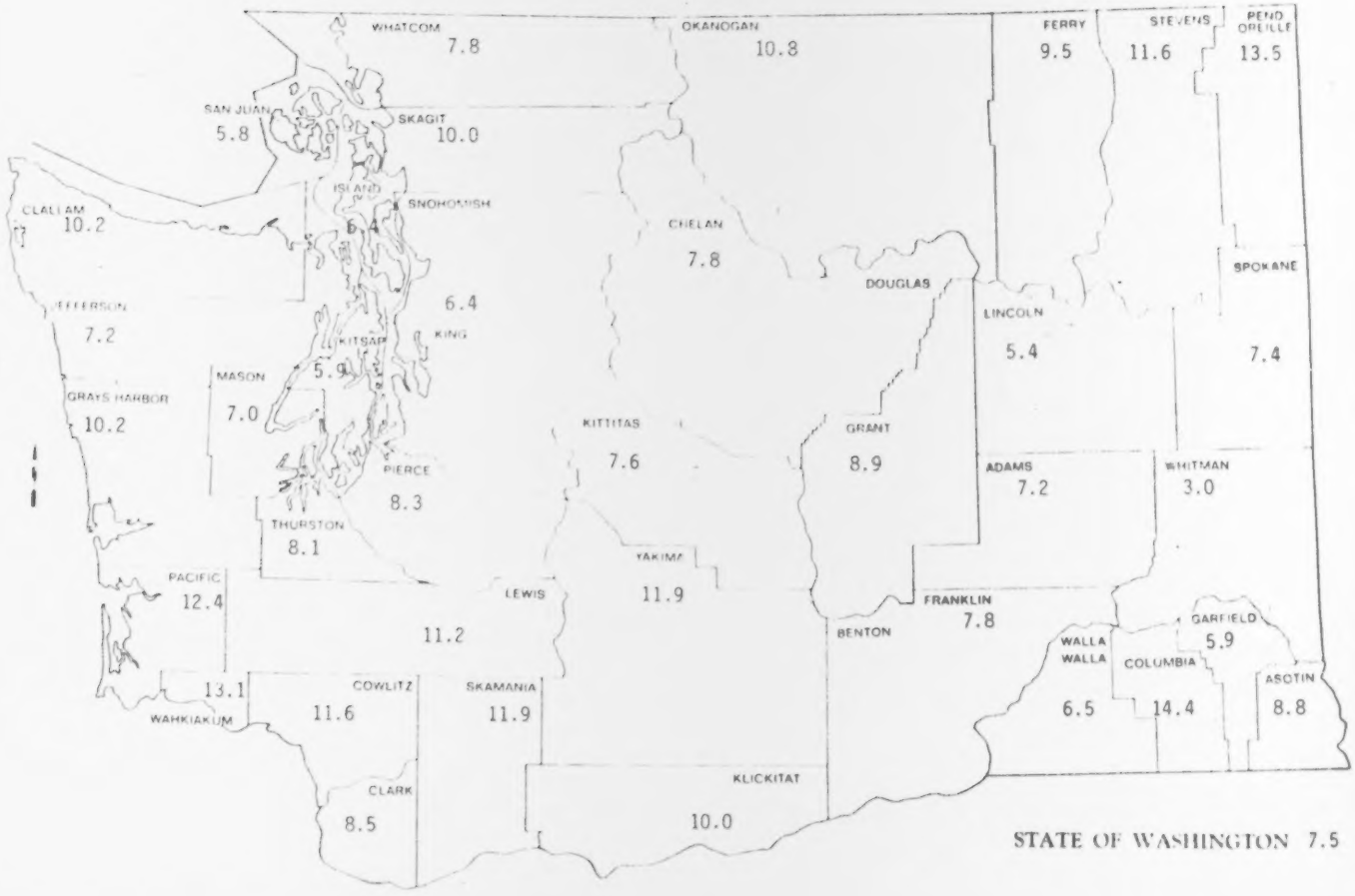
1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ The Tri-Cities MSA encompasses Benton and Franklin counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

Note: Detail may not add due to rounding.



OCTOBER 1985
UNEMPLOYMENT
RATES

OVER 10.0
8.1 - 10.0
7.0 - 8.0
UNDER 7.0



STATE OF WASHINGTON 7.5

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	OCT. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		OCT 1985	SEP 1985	OCT 1984	OCT 1985	SEP 1985	OCT 1984	OCT 1985	SEP 1985	OCT 1984
TOTAL MANUFACTURING INDUSTRIES *	184,500	$459.76	$457.41	$451.23	39.6	39.5	39.0	$11.61	$11.58	$11.57
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products.....	34,200	460.98	456.30	431.22	39.4	39.1	37.4	11.70	11.67	11.53
Primary metal industries.....	9,400	502.58	511.46	568.92	40.4	40.4	40.9	12.44	12.66	13.91
Fabricated metal products.....	8,500	428.35	454.91	456.92	38.8	39.8	40.4	11.04	11.43	11.31
Machinery.....	16,400	384.87	391.72	357.74	39.8	40.3	38.8	9.67	9.72	9.22
Food & kindred products.....	26,400	349.98	346.67	350.83	38.0	37.6	37.8	9.21	9.22	9.26
Chemicals & allied products...	5,300	609.55	604.22	545.24	43.2	43.5	41.4	14.11	13.89	13.17
SELECTED NONMANUFACTURING INDUSTRIES										
Construction.....	67,100	589.17	591.46	572.70	36.8	36.6	35.2	16.01	16.16	16.27
Wholesale and retail trade.... (excludes eating & drinking places)	261,900	316.69	327.01	311.33	34.2	34.9	34.1	9.26	9.37	9.13

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

Employment Security Department
KG-11
Olympia WA 98504-5311

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449

THIRD CLASS MAIL

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

S8340-3

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

Prepared by the
Labor Market and
Economic Analysis Branch
Olympia, WA 98504
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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 9, Number 12 December 1985

HIGHLIGHTS

Seasonal Factors Negative

Total unemployment in Washington State rose to 168,700 or 8.0 percent of the labor force in November, up from 159,800 or 7.5 percent in October. Increases in unemployment are expected at this time of the year because of the effect of adverse weather conditions on outdoor activities and the end of the summer tourist season. The increase this year was slightly less than usual. The seasonally adjusted jobless rate dipped from 8.2 to 8.1 percent over the month. Had the unseasonably cold and snowy weather hit the state during the week of the 12th, the week to which the estimates relate, instead of the following week, unemployment would have gone up much more.

	Nov. 1985* (Prel.)	Oct. 1985* (Rev.)	Nov. 1984
Civilian Labor Force	2,107,300	2,122,800	2,054,400
Total Employment	1,938,600	1,963,000	1,864,900
Total Unemployment	168,700	159,800	189,500
State Unemployment Rate	8.0	7.5	9.2
National Civilian Unemployment Rate	6.7	6.8	6.9

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Total employment fell 24,400 from October with a sizable drop in agriculture following the completion of the apple harvest. The loss in nonagricultural wage and salary employment was limited to 8,300 as seasonal losses were cushioned by the hiring of temporary holiday sales workers, further gains in public education and continued expansion in aerospace.

Substantial Expansion Over the Year

November data show the strong expansion in the state continuing despite the seasonal downturn. On a seasonally adjusted basis, total employment rose from 1,939,700 to 1,952,300 between October and November. Over the year, total employment in the state was up 73,700, enough to provide jobs for persons newly entering or re-entering the labor force and to reduce unemployment by 20,800. The jobless rate in November 1984 was 9.2 percent compared with 8.0 percent this November.

Nonfarm payroll employment itself was up nearly 48,000 over the year. The major areas of job growth were in the services industries (up 16,200) and retail trade (up 12,400), but the underpinning for the expansion was in aerospace (up 8,500), and construction (up 4,800), with an assist from chemicals manufacturing (up 900) and firms producing fabricated metals (up 700).

State Outpaced Nation

The expansion in Washington State has been considerably stronger than for the nation over the past year. Between November 1984 and 1985, total employment in the state rose nearly 4 percent, more than double the 1.9 percent increase in the nation. A major factor accounting for the difference in growth rates is the strength of the aerospace industry, and its relative importance in Washington State.

While aerospace accounts for less than 4 percent of all manufacturing employment in the nation, it employs about 27 percent of all manufacturing workers in Washington State. Employment in many other manufacturing industries in this state as well as nationally has been hurt by foreign competition. Aerospace has also been affected by foreign competition in the commercial aircraft segment of the industry, but technical leadership, product reputation, and competitive pricing have enabled The Boeing Company to maintain its position as the leading manufacturer of jet airliners in the world. In addition, defense contracts are a major segement of the aerospace industry, and these contracts are largely limited to domestic firms because of the strategic importance of this work to national defense. Defense spending has grown rapidly in the past several years, and Boeing is one of the nation's largest defense contractors.

Gap In State-National Unemployment Rate Narrows

Reflecting more rapid employment growth than in the nation, the gap between the national and state unemployment rates has narrowed considerably over the last year. On a seasonally adjusted basis, the jobless rate nationally was 7.0 percent in November 1984 compared with a rate of 9.2 percent for Washington State, a gap of 2.2 points. In November 1985, however, the national rate was 6.9 percent compared with a state rate of 8.1 percent, a gap of 1.2 points.

Since 1970 the state unemployment rate has averaged 2.1 points above the national rate, ranging from a high of 4.3 points in 1970 when the state's economy was seriously depressed by a sharp downturn in aerospace payrolls, to a low of 0.8 points in 1978 and 1980 when aerospace payrolls were relatively high.

Although the amount by which the state rate exceeds the national rate can largely be explained by employment levels in aerospace, other factors play a major part. Inmigration is one of those factors. Washington is still a growing state with more people moving into the state than leaving, which increases competition for jobs and, thus, unemployment. Population growth, too, requires a greater than normal amount of construction activity to provide additional public and private facilities. Construction, of course, is a highly seasonal industry in the Northwest, which results in higher unemployment rates. Aside from construction, the economic base of the state differs from that of the nation in that it has a higher proportion of seasonal and volatile industries with high rates of separation and unemployment. Agriculture is particularly important in this respect along with food processing, lumber and shipbuilding.

Outlook For 1986 Promising

The outlook for the state's economy as we begin 1986 is promising. Employment expansion may not match that of 1985, but it should be sufficient to provide jobs to new entrants to the labor force and to reduce unemployment moderately. Reasons for this optimistic view are that growth in aerospace, the state's largest manufacturing industry, should continue because of Boeing's huge order backlog. The aerospace expansion may not match that of 1985, but it should still be signficant. The decline in the value of the dollar relative to most foreign currencies should benefit export industries. Lower oil prices resulting from competition between OPEC countries and other oil exporting nations, should keep inflation under control. In addition, we are entering this year with lower interest rates which will stimulate interest sensitive industries.

In 1986, as in 1985, the major improvement in the state's economy will be in the Puget Sound area. Aside from possible further growth in aerospace, secondary effects of the 1985 aerospace expansion will continue to stimulate the economy. Counties largely dependent on the lumber industry, on the other hand, are likely to remain depressed in 1986. There is no indication of any improvement in this industry. Unemployment in many of these areas dropped in 1985 but mainly due to out-migration. Out-migration from these areas will probably continue in 1986.

Decline in Dollar's Value

How soon and how much the decline in the value of the dollar will help U.S. manufacturers improve their competitive position in world as well as domestic markets is being widely debated. The value of the Japanese yen has dropped about 20 percent relative to the dollar over the last year. The immediate impact so far has been price increases for many of the Japanese automobiles and consumer electronic products we import. Domestic electronic manufacturers have responded by raising their prices too, rather than going for a larger market share by holding their prices stable. This may improve their profits, but it doesn't help regain jobs lost to foreign competition in previous years. Domestic automobile manufacturers, on the other hand, have launched a new round of financing incentives which, in effect, lowers car prices. This should make domestic cars more competitive with imports and help improve employment opportunities for U.S. automobile workers.

Decline in Dollar Depends on Reducing Deficit

A continuation of the dollar's decline, which makes U.S. goods less expensive relative to foreign goods, depends mainly on reducing the federal deficit. The huge deficits of recent years have kept U.S. interest rates high relative to rates in foreign countries. The prime rate in Japan, for example, is only 5.5 percent versus 9.5 percent in the U.S. As a result, foreign investors buy U.S. dollars so that they can loan money at higher rates in this country, thus, driving the value of the dollar up. The decline of the dollar in recent months has resulted from the intervention of central banks in foreign exchange markets; they have sold dollars for other currencies driving the value of the dollar down. How effective this tactic will be in the long run is questionable. The reason foreign banks have intervened has been to discourage Congress from enacting laws to reduce foreign imports.

Some Helped Some Hurt

The effect of the declining dollar on the state's economy should be positive on balance; some firms in the state will be helped but a few will be hurt. The latter will include firms importing and providing distribution services for foreign products. Industries and firms which

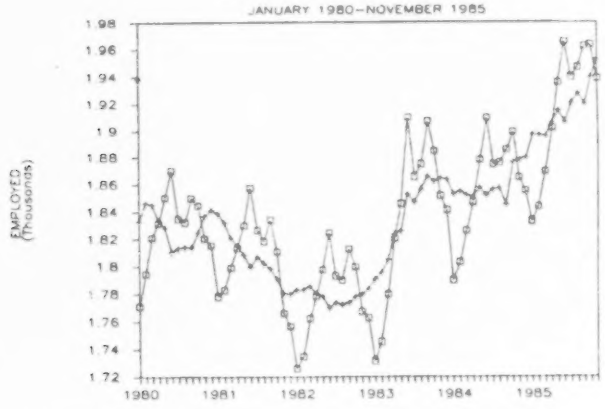
will be helped the most are those in direct competition with foreign manufacturers, including those which are major exporters. In Washington State major export industries are agriculture, lumber, pulp-paper, chemicals, metals, machinery and aerospace.

Little Help For Lumber Industry

The "overall" decline in the dollar's value, however, will not help the state's lumber industry much. The industry's major problem is the low value of the Canadian dollar relative to the U.S. dollar. The result is that Canadian mills can sell lumber in many major U.S. markets at a price Northwest mills cannot meet and still operate at a profit. Unfortunately, while the dollar's value has declined in terms of the yen and most other currencies, it has increased slightly over the year in terms of the Canadian dollar. At the end of 1985, the U.S. dollar was worth 1.40 Canadian dollars versus 1.32 at the close of 1984. As recently as 1976 the U.S. and Canadian dollars traded at near equal value.

STATE TOTAL EMPLOYMENT

JANUARY 1980–NOVEMBER 1985



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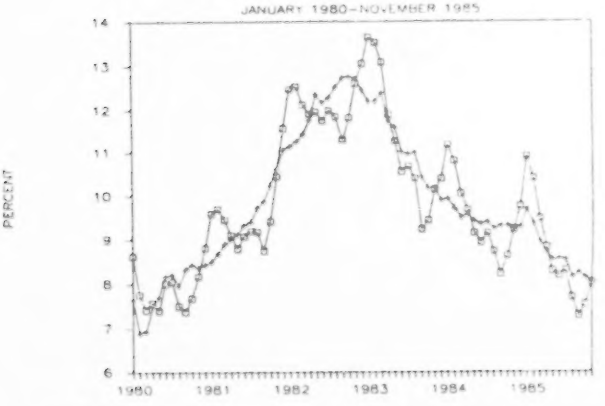
STATE UNEMPLOYMENT RATE

JANUARY 1980–NOVEMBER 1985



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Manufacturing Industries

Manufacturing employment fell 4,800 between October and November with several industries reporting seasonal losses. The largest was in food products where employment fell 3,300 with food preserving past its seasonal peak. Employment in lumber and wood products, down 1,300, also fell as deteriorating weather closed some logging operations and sawmills and plywood plants cut back because of a seasonal drop in the demand for building products. Job losses in food, lumber and other industies were cushioned somewhat by a further expansion in aerospace which added 1,100 workers over the month.

Aerospace Outlook Bright

A total of 390 jet airliners valued at $14.9 billion were ordered from The Boeing Company in 1985, up from 168 aircraft valued at $5.7 billion in 1984. Boeing delivered 198 planes in 1985 and expects to deliver 235 in 1986. Boeing views its order prospects for 1986 favorably. The order volume may be down but the value will likely be higher because of the trend towards the purchase of larger airplanes. Growing air traffic control congestion is expected to force more airlines to order larger aircraft. The cost of a 747 equals the cost of five 737s.

Airline passenger traffic, which grew to 7 to 9 percent in 1985, is expected to increase 5 to 6 percent in 1986. According to one industry analyst, airlines will order about 400 aircraft in 1986. Most of those orders will be for new aircraft since few used airliners are on the market. Boeing is expected to continue to get most of the new orders.

Boeing Competes For Fighter Contract

Boeing and seven other companies are competing for an advanced tactical fighter plane contract that could result in a $45 billion contract to the winner. Half of the competitors will be eliminated in August, leaving three or four to bid for full-scale development and production. The Air Force plans to build 750 of the fighters for use in the next decade. Boeing has been working on proposals for the plane for ten years and has won $125 million in related research contracts. It has also invested $125 million of its own money in the project. The winning company will be determined in 1989.

One of Every Three Lumber Jobs Gone Since 1978

The lumber industry continues to operate at a depressed level and there appears to be little reason to expect a recovery in the near future. Employment in the industry was down 2,800 over the year in November but that reflects only a minor portion of the industry's retrenchment. Since November 1978, when the industry was strong and healthy, more than one of every three lumber jobs has disappeared. Employment in the state's lumber industry totaled 55,800 in November 1978, 19,400 more than in November 1985.

Tax Proposals Unfavorable to Lumber Industry

Moreover, recent developments are not encouraging. The tax reform bill passed by the House of Representatives would eliminate capital gains treatment for profits on harvested timber and the right to deduct the costs of producing trees in the year in which they are incurred. The tax bill is unlikely to pass the Senate and gain approval of the President in its current form. If these proposals survive, however, it would further depress the industry.

Simpson Closes Three Operations

Simpson Timber Company is closing three operations in Mason and Grays Harbor counties in December. The shutdowns had been scheduled in early 1985. Included in the closures are the Camp Grisdale logging operation, an old growth sawmill in Shelton and a planing mill. In all, 600 Simpson workers will have lost their jobs in 1985. The company will continue to operate two sawmills, a planing mill and a plywood plant in and near Shelton.

Downturn in Lumber Closes Chemical Plant

Reflecting the interdependence of industry, Reichhold Chemical Company closed its Tacoma resin plant at the end of December 1985. The plant produced resins which were used in the manufacture of plywood and particle board. Local demand for the resins declined because of the drop in Northwest plywood and particle board production. The plant employed 30 workers.

Shipbuilding Payrolls Down Again

Shipbuilding employment fell 400 in November and was 2,200 below its year-ago level. The problem facing private shipyards are national in scope, competition from lower-wage yards in Japan and Korea and a decline in the demand for new ships. The problem in Puget Sound shipyards is compounded because they have higher wage rates than their east coast and gulf coast competitors.

According to an industry spokesman, 30 private shipyards have gone out of business in the last eight years. Remaining are 24 major and 85 smaller shipyards, but he expects seven major and 35 smaller yards to close by 1990 because they are unable to compete with foreign shipyards.

To maintain viability of the nation's shipbuilding industry, a recent Congressional Budget Office report recommended government subsidies to encourage the building of 20 merchant ships a year. The subsidy would cost over $1 billion. In December, Congress provided $852 million for shipbuilding collected through special taxes over the years. The administration is opposed to direct subsidies for shipbuilding but has shifted new construction and repair work from Navy shipyards to private yards. Since 1981, the number of private yards involved in Navy work has increased from nine to twenty-one. Navy contracts now account for more than 80 percent of the industry's business.

Aluminum Prices Up But Not Enough

Employment dropped 300 in both fabricated metal products and aluminum in November. The loss in fabricated metals, however, largely resulted from a seasonal decline at firms manufacturing wood stoves and building materials. In addition, employment in the industry remained 700 above its year-ago level. In aluminum, on the other hand, the drop resulted from the low market price for aluminum. One ray of hope for the industry was an increase in the price for primary aluminum from 45.6 cents a pound in November to 53.5 cents in December. The cost of producing aluminum in some Northwest plants, however, is 60 cents per pound. Employment in Washington aluminum industry was down 800 over the year in November.

2000 Jobs To End In Tacoma

The downturn in oil prices may help contain inflation, but its not without costs. Approximately 2,000 workers are now employed in Tacoma building oil-field modules (nonelectrical machinery). Because of declining oil prices, oil companies are curtailing exploration and recovery projects in Alaska. Without this work, there is no need for additional oil field modules. The modules are built in the fall, winter and spring and barged to Alaska in the summer. The 1987 shipment will be virtually non-existent.

Nonmanufacturing Industries

In the nonmanufacturing industries the largest employment changes between October and November were in construction and retail trade where seasonal changes offset each other. Employment in the building trades fell 3,900 as inclement weather delayed some projects and shut down others. In addition, contractors began few new projects as ususal in November because of the approach of winter. Over the year, however, construction payrolls were up 4,800 in November.

Value of Construction Projects up 17 Percent Over the Year

Data on the value of construction projects in the state collected by F.W. Dodge show the cummulative value of projects for which permits were issued in the first eleven months of 1985 advancing 17 percent from the comparable period in 1984. The value of nonresidentual building projects (commerical, public, manufacturing buildings, etc) was up 40 percent over the year, while nonbuilding construction (streets, highways, water systems, etc.) was up 16 percent. Residential building managed only a 3 percent gain over the year and all of the increase was in apartment buildings. The number of units in apartment buildings for which permits were obtained this year was up 40 percent from 1984, while permits taken out for single family houses fell 6 percent year to year. The acceleration in the building of apartments and commercial buildings this year may have resulted, in part, from the possibility that the tax incentives for building and owning these facilities may be adversely affected by tax reform in 1986.

Santa's Helpers

Retail trade employment rose 3,900 between October and November to match its gain over the similar period in 1984. The gain, of course, resulted from the hiring of temporary workers for the holiday sales period.

Personal Income And Spending Up, But Debt At Record High

Nationally, personal income rose 0.6 percent in November for its largest advance in seven months, while spending rose 0.9 percent. The rise in consumer spending, however, followed a 1.4 percent decline in October, and despite the increase in November several analysts are predicting a cutback in spending because of a record level of consumer debt. According to the U.S. Department of Commerce, consumer debt was at an all-time high of 19.2 percent of disposable income in November.

Services Down Seasonally

Employment in the services industries continued to contract seasonally between October and November as weather conditions reduced tourist business and other outdoor activities. Most of the 2,500 jobs lost over the month occurred at hotels-motels and in amusements. The largest drop in the latter resulted from the end of the racing season and cutbacks at golf courses. Year-to-year, however, services employment was up 16,200; 40 percent of the expansion was in business services, i.e., personnel supply-temporary help, data processing services, janitorial, etc.

National Context

Most analysts see the national economy continuing to expand modestly in 1986; few are predicting a recession. The National Administration's forecast for 1986 is one of the most optimistic. The forecast by the Reagan administration is for a 4 percent increase in the Gross National Product (GNP). The GNP in 1985 rose 2.8 percent. By contrast, a survey of 300 economists resulted in an average forecast of 2.9 percent for GNP growth in 1986. Only 37 percent of the economists polled expected a recession in 1986.

Modest Growth Forecast for 1986

Leading Indicators Up Slightly

The Index of Leading Economic Indicators inched up 0.1 percent in November, mainly due to a large rise in stock market prices. Other indicators pushing the index up in November included a rise in new business formations, higher sensitive material prices, and increased orders for consumer goods and materials. Leading indicators reflecting weakness in the economy included lower business and consumer borrowing, a drop in the number of companies receiving slower delivery from vendors, fewer contracts and orders for plant and equipment, a decline in building permits and a rise in claims for unemployment insurance.

Job Want-Ad Volume Up

Newspaper want ads for job applicants in December 1985 were up substantially from one year earlier. A survey of 51 major newspapers conducted by the Conference Board in New York indicated want-ad volume began to rise in the summer and reached a peak in November. The Board expects the momentum to continue at least into the first few months of 1986. Consistent with the survey, the national unemployment rate was at its lowest level in five years in December.

Forecast For Timber Industry Gloomy

A report issued jointly by Washington State University, Oregon State University and the University of Idaho suggests that the Northwest forest-products industry is in for another difficult year despite continued growth in U.S. softwood consumption. The report doubts that Congress will enact a lumber tariff bill to protect domestic producers from foreign competition. The report also cites continuing strength in the U.S. dollar, an uncertain Japanese market, and the Korean government's emphasis on substituting concrete for wood in construction projects to reduce imports. Consistent with this report is that the U.S. dollar has not declined in relationship with the Canadian dollar. As a result Canada is likely to continue to dominate Pacific Rim lumber markets as well as to hold on to its large share of the U.S. market.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Nov. 1985	Oct. 1985	Nov. 1984	Nov. 1985	Oct. 1985
U.S. City Average	326.6	325.5	315.3	+3.6	+3.2
Seattle-Everett	324.0	N/A	318.1	+1.9	N/A

Area Wage Survey Reports Available For Lewis And Grant Counties

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed Occupational Wage Surveys for the Lewis and Grant county areas. The surveys, based upon data from 138 establishments in Lewis County and 172 in Grant County, presents wage ranges and averages for clerical, managerial, professional, technical and general occupations. The reports, titled "AREA WAGE SURVEY, LEWIS COUNTY, OCTOBER 1985" and "AREA WAGE SURVEY, GRANT COUNTY AREA, OCTOBER 1985," are available on request from Labor Market and Economic Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 754-6453.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED

	Nov. 1985 (Prel.)	Oct. 1985 (Rev.)	Nov. 1984 (Rev 4/)	Oct. 1984 (Rev 4/)	Numerical Change Oct. 85 to Nov. 85	Numerical Change Nov. 84 to Nov. 85
TOTAL NONAG. WAGE AND SALARY.	1,713.3	1,721.6	1,665.6	1,669.0	-8.3	+47.7
TOTAL MANUFACTURING.....	292.1	296.9	288.8	291.3	-4.8	+3.3
Durable Goods.....	203.3	204.3	201.1	201.0	-1.0	+2.2
Lumber & Wood Products....	36.4	37.7	39.2	40.0	-1.3	-2.8
Furniture & Fixtures.....	3.3	3.3	3.3	3.4	0.0	0.0
Stone Clay & Glass Prod...	6.4	6.6	6.7	6.7	-0.2	-0.3
Primary Metal Industries..	11.7	12.1	12.9	13.0	-0.4	-1.2
Aluminum Prod.& Proc.....	7.6	7.9	8.4	8.4	-0.3	-0.8
Fabricated Metal Prod.....	10.7	11.0	10.0	10.1	-0.3	+0.7
Machinery.....	27.7	27.2	27.9	28.1	+0.5	-0.2
Machinery exc. Elect.....	15.9 3/	15.4	16.0	16.2	+0.5	-0.1
Electrical & Electronic..	11.8	11.8	11.9	11.9	0.0	-0.1
Transportation Equipment..	92.4	91.7	86.1	84.8	+0.7	+6.3
Aerospace.....	79.8	78.7	71.3	70.0	+1.1	+8.5
Other Transp. Equip.....	12.6	13.0	14.8	14.8	-0.4	-2.2
Instruments & Rel. Prod...	10.2	10.2	10.3	10.2	0.0	-0.1
Misc. Manufacturing Ind...	4.5	4.5	4.7	4.7	0.0	-0.2
Nondurable Goods.....	88.8	92.6	87.7	90.3	-3.8	+1.1
Food & Kindred Products...	30.2	33.5	30.4	33.4	-3.3	-0.2
Canned & Preserved Foods.	11.4	14.5	10.7	13.5	-3.1	+0.7
Apparel & Other Text.Prod.	6.5	6.6	6.4	6.5	-0.1	+0.1
Paper & Allied Products...	15.8	16.1	16.0	15.7 3/	-0.3	-0.2
Printing & Publishing.....	17.3	17.3	17.2	17.0	0.0	+0.1
Chemicals & Allied Prod...	11.6	11.6	10.7	10.7	0.0	+0.9
Other Nondurable Goods 2/.	7.4	7.5	7.0	7.0	-0.1	+0.4
MINING & QUARRYING.....	2.7	2.8	2.7	2.8	-0.1	0.0
CONSTRUCTION.....	83.0	86.9	78.2	81.1	-3.9	+4.8
TRANS.& PUBLIC UTILITIES....	92.4	93.2	90.9	91.3	-0.8	+1.5
WHOLESALE & RETAIL TRADE....	427.0	424.0	412.2	409.5	+3.0	+14.8
Wholesale Trade.....	105.8	106.7	103.4	104.6	-0.9	+2.4
Retail Trade.....	321.2	317.3	308.8	304.9	+3.9	+12.4
FIN. INS. & REAL ESTATE.....	98.2	97.9	94.7	94.6	+0.3	+3.5
SERVICES.....	370.2	372.7	354.0	355.4	-2.5	+16.2
GOVERNMENT.....	347.7	347.2	344.1	343.0	+0.5	+3.6
Federal.....	69.3	69.3	69.5	69.8	0.0	-0.2
State & Local.....	278.4	277.9	274.6	273.2	+0.5	+3.8
Education.....	150.0	148.3	150.6	149.1	+1.7	-0.6
(WORKERS IN LABOR-MANAGEMENT DISPUTES).....	0.1	0.0	0.0	0.3	+0.1	+0.1

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.